

City Council Meeting

APPROVED MINUTES

- 3.4 Accept Donations** Requested Action: Accept donations as listed.
- Motion was made by Carlson, seconded by Abrams, and all voting aye, to accept the donations made by various donors to various City activities as described in the agenda item and approve the amendments to the revenue and expenditure budgets, as noted in the item, to facilitate the appropriate use of these funds.
- 3.5 Assignment of Agreement with LSA Design** Requested Action: Consent to the Assignment of the Design Peer Review and Construction Monitoring Services Agreement for Alpha B.
- Motion was made by Carlson, seconded by Baloga, and all voting aye, to consent to the Assignment of the Design Peer Review and Construction Monitoring Services Agreement for Alpha B as described in the agenda item.
- 3.6 Order 2016-203 SRTS Jefferson Area Improvements** Requested Action: Adopt a resolution ordering the 2016-203 SRTS Jefferson Area Improvements Project.
- This item was held by Abrams who requested staff describe the good news that will be occurring in a significant neighborhood that is affected by three different schools; Hubert Oleson Elementary, Hubert Olson Middle School, and Jefferson High School. This project will bring area improvements that will enhance both pedestrian and bicycle safety.
- Using an aerial photo, City Engineer Shelly Pederson showed the location of the three schools. She said Rectangular Rapid Flashing Beacons will be located at Old Shakopee Road & Kell Avenue, Heritage Hills & France Avenue, and at Johnson Avenue between the schools.
- Motion was made by Abrams, seconded by Baloga, and all voting aye, to adopt a resolution ordering the 2016-203 Safe Routes to School Jefferson Area Improvements Project. (R-2015-84)
- 3.7 Set Meeting Date Public Hearing 2016 General Fund Budget and Property Tax Levy** Requested Action: Set Monday, December 7, 2015, as the date for the public hearing on the City's 2016 General Fund Budget and Property Tax Levy.
- Motion was made by Carlson, seconded by Baloga, and all voting aye, to set December 7, 2015, as the date for the public hearing on the City's 2016 General Fund Budget and Property Tax Levy.
- 3.8 Meeting Minutes City Council-Approval** Requested Action: Approve the following City Council Meeting minutes as presented:
- March 23, 2015 (Study)
 - April 27, 2015 (Study)
 - July 6, 2015 (Regular)
 - August 3, 2015 (Regular)
- Motion was made by Carlson, seconded by Baloga, and all voting aye, to approve the minutes listed above as presented.
- 4 PUBLIC COMMENT PERIOD**

4.1 Response to Prior Meeting's Public Comments

City Manager Jamie Verbrugge said Sally Ness addressed the Council on August 3 and presented a new concern regarding the Dar Al Farooq Youth & Family Center at 8201 Park Avenue involving their trash and recycling materials not being stored inside their primary building. He reported staff responded and issued correction notices. He said a contractor went out and performed abatement for which the property owner will be billed.

At that same meeting, he said Janelle Gieske commented there is no shade at the Brookside Park playground. He said staff followed up with the resident. He said Council will be updated via City Manager's Information if there is more to report.

4.2 Public Comment

Mayor Winstead opened the public comment period for anyone wishing to address the Council on any items not on tonight's agenda.

Speaker #1: Sally Ness, 8127 Oakland Avenue South
She commented on Smith Park and the Joint Use Agreement (JUA) between the City and the Dar Al Farooq Youth & Family Center (AFYFC) at 8201 Park Avenue the City has concluded is better than the previous agreement. She quoted from some Council e-mails and referenced page 3 of a March 2 memo regarding the existing agreements as they addressed the athletic field lighting shutoff. She said staff's memo to the Council is not accurate because the Addendum to the Agreement in 2000 indicated Lutheran High School agreed to comply with City policy that the athletic field lighting be shut off by 11 pm. She said that is only one of four key issues noted in the memo that is inaccurate and an additional two others are misleading. She described the other misleading items in the memo as the number of parking spaces at Smith, the use of the Park parking lot, City control of the irrigation, and remedies for non-compliance. She said the Smith Park parking lot is part of the parks and should not be open throughout the night.

Winstead asked the City Manager to respond to any new claims made by Ness.

Speaker #2: Vi Rozek, 8214 Park Avenue South
She thanked the City and Lawn Perfection for mowing the grass at AFYFC. She reported the intercom system at AFYFC was so loud during the month of August she could hear every single word of their songs and psalms past 10 pm at night. She finally called police. She wrote the Council to report trucks are going down their street to AFYFC at 5 am and the noise is waking up the residents on a daily basis. She asked the Council to please get this issue fixed. She commented on the large vehicles that park on their residential streets every Friday. She reported one semi driver left his rig running for over an hour. She said AFYFC is supposed to provide sufficient off-street parking so these parking issues need to stop. She asked the Council to stop the abuse to their neighborhood.

Speaker #3: Jane Udlinek, 11039 Stanley Curve
She said the coyote problem is really bad in her neighborhood and said her dog was almost taken by a coyote in February. She asked about the status of the Hyland Greens Golf Course and whether it will be run by a private enterprise. She reported the Fred Richards course in Edina is closing and will be made into park land. She mentioned an incident that occurred at Hyland when she and her husband were not let onto the course at 7 pm when it doesn't dark until 9:15 pm. She said the City workers just don't care because it's not their business.

Winstead said Hyland Greens has been operating at a deficit for the last few years and remarked on the state of the golf industry. He explained the City is setting up a task force to look at all that is happening at Hyland, as it's prudent for the City to explore all beneficial uses of that property. He said the task force will explore how to make Hyland a solid entity for the City either as a golf course or something else. To date, no conclusions have been reached. The next step will be to appoint the task force members so they can examine Hyland from all angles to determine what will be the best outcome for what has been a beautiful City asset.

Verbrugge asked Police Chief Potts to comment on the coyote situation.

Potts said in the last 3-4 weeks, there has been an increase in incidents concerning an aggressive coyote in the area of Zenith Road west of Normandale south of 98th Street to the Minnesota River. He reported there have been six dog attacks. He reported Police are continuing their active community education on hazing and said a demo on hazing can be seen on the City's website. He said with a more aggressive coyote, police will try to identify it and remove it from the area via trapping. He said the Police Department will add a map of the coyote activity in Bloomington to the City's website; specifically plotting where the aggressive coyote has been seen. He cautioned the public that coyotes are attracted to garbage and composting containers and to take care of those. He added the P.D. is also working with a wildlife expert on removing the aggressive coyote.

5 LICENSING DIVISION: PUBLIC HEARINGS

5.1 Surabhi Indian Cuisine; New On-Sale Wine License and On-Sale 3.2% Malt Liquor Application

Requested Action: Approve the on-sale wine license and the on-sale 3.2 percent malt liquor license for Hooked on Spice LLC, doing business as, Surabhi Indian Cuisine.

Motion was made by Busse, seconded by Abrams, and all voting aye, to approve the on-sale wine license and the on-sale 3.2 percent malt liquor license for Surabhi Indian Cuisine as described in the agenda item.

5.2 Rotary Club Bloomington Special Event On-Sale Intoxicating Liquor License

Requested Action: Approve the special event on-sale intoxicating liquor license for the Rotary Club of Bloomington.

Motion was made by Carlson, seconded by Baloga, and all voting aye, to approve the special event on-sale intoxicating liquor license for the Rotary Club of Bloomington as described in the agenda item.

5.3 Bloomington Heritage Days Special Event On- Sale Intoxicating Liquor License

Requested Action: Approve the special event on-sale intoxicating liquor license for Bloomington Heritage Days.

Motion was made by Carlson, seconded by Baloga, and all voting aye, to approve the special event on-sale intoxicating liquor license for Bloomington Heritage Days as described in the agenda item.

5.4 St. Bonaventure Church; Special Event On-Sale 3.2% Malt Liquor License

Requested Action: Approve the special event on-sale 3.2 percent malt liquor license for St. Bonaventure Church.

Motion was made by Baloga, seconded by Oleson, and all voting aye, to approve the special event on-sale 3.2 percent malt liquor license for St. Bonaventure Church as described in the agenda item.

**6 DEVELOPMENT
BUSINESS: PUBLIC
HEARINGS**

**6.1 Request Time
Extension Tent Permit
5222 West 78th Street**

Requested Action: Continue to the September 14, 2015, Regular City Council meeting and direct staff to prepare a resolution of denial of a time extension request by Erin Taylor Fine Art for a tent permit located at 5222 West 78th Street, Case 4646A-15.

Planning Manager Glen Markegard presented the staff report. He said the tent at Taylor Galleries is located just north of I-494 east of Hwy. 100. He said per a Code amendment in 1997, staff handles tent permits. Requests for time extensions on permits are handled by the City Council. He described the purpose of the 25-day time limit for tents. He said the actual duration of the tent is beyond the 25 days and so the applicant is now requesting an additional 15 days. He said staff is recommending denial of the extension. If Council concurs and denies the extension, it should direct staff to prepare a resolution of denial for the next Council meeting.

Abrams asked about the number of tent applications the City receives per year and the type of organizations that request a 25-day extension. Markegard replied there has only been one application for an extension beyond 25 days since 1997, as these types of permits are tied exclusively to special events for special retail, weddings, places of assembly, etc. and it's very uncommon to have an extension request. He said the City issues a lot of tent permits but not for a 25-day extension.

Busse asked how the time period for tents works and if there are consequences for ignoring a 25-day limit. Markegard said staff first issues a verbal communication, then written orders, and finally imposes a fine if the tent remains. He reported orders have been issued in the past but no fines imposed.

Oleson said perhaps the Council needs to review the consequences issues.

Carlson asked if the extension request came after the verbal notice was given. Markegard replied the request for an extension came after written orders had been issued.

The applicant was not available to address the Council.

No public testimony was provided.

Motion was made by Baloga, seconded by Abrams, and all voting aye, to continue to the September 14, 2015, Regular City Council meeting for a resolution of denial for a time extension of a tent permit located at 5222 West 78th Street, Case 4646A-15, for Erin Taylor Fine Art.

**6.2 Izaak Walton League;
6601 Auto Club Rd.;
Prelim and Final Plat**

Requested Action: Approve the Preliminary Plat and adopt a resolution granting Final Plat approval for MN VALLEY IZAAK WALTON LEAGUE, 6601 Auto Club Road, Case 9903AB-15, subject to the conditions listed in the staff report.

Markegard also presented this staff report on a property located between Bloomington Ferry Road and Normandale Boulevard that will be subdivided into two lots. The Izaak Walton club house will remain on the northerly parcel and the southerly parcel will become an outlot. The intent is to sell the outlot to the MN Valley Trust, as conveyance of this property, to help facilitate a future trail along the MN River. Staff recommends approval.

No public testimony was received.

Motion was made by Baloga, seconded by Abrams, and all voting aye, to approve the Preliminary Plat and adopt a resolution granting Final Plat approval of MN VALLEY IZAAK WALTON LEAGUE at 6601 Auto Club Road, subject to the conditions listed in the staff report. (R-2015-85)

6.3 Kathryn Ann Hale; 8201 Pillsbury Ave. S.; Fence Variances

Requested Action: Approve variances to increase fence height from four feet to six feet and opacity from 50 percent to 100 percent for a fence at 8201 Pillsbury Avenue South, Case 10961AB-15, for Kathryn Ann Hale for the reasons listed and subject to the conditions listed in the staff report.

Markegard also presented this staff report on a request by the applicant for an “after-the-fact” variance for a 6-foot fence constructed in the rear yard abutting a street along the north portion of the property at 8201 West 82nd Street and Pillsbury Avenue. He described the location of the fence at a single-family home in a neighborhood with nearby industrial uses. He said the applicant has already erected the 6-foot fence. He described the practical difficulties encountered by this homeowner due to heavy traffic on both Pillsbury Avenue and on West 82nd Street. He explained arterial streets are exempt from the 4-foot height limit in the City Code. However, 82nd Street is not designated as an arterial, but Markegard said it shares certain characteristics such as increased annual average daily traffic, elevated noise, and higher levels of truck traffic. He discussed a couple of other practical difficulties associated with this parcel. He said both staff and the Planning Commission recommend approval of the variances.

No public testimony was received.

Motion was made by Baloga, seconded by Oleson, and all voting aye, to adopt a resolution approving variances to increase fence height from four feet to six feet and opacity from 50 percent to 100 percent for a fence at 8201 Pillsbury Avenue South, for Kathryn Ann Hale subject to the conditions listed in the staff report. (R-2015-86)

7 TRANSPORTATION & UTILITY IMPROVEMENTS: PUBLIC HEARINGS

None.

8 ORDINANCES: PUBLIC HEARINGS

8.1 Vacation of Public Drainage and Utility Easements 9300 Colorado Road

Requested Action: Adopt an ordinance vacating public drainage and utility easements located at 9300 Colorado Road, Lot 7, Block 1, HYLAND CREEK 2ND ADDITION.

No public testimony was received.

Motion was made by Busse, seconded by Baloga, and all voting aye, to adopt an ordinance vacating the easements as described above and in the agenda item at 9300 Colorado Road, (Lot 7, Block 1, HYLAND CREEK 2ND ADDITION) for the Estate of Duane Richard Gregg. (O-2015-23)

8.2 Ordinance Authorizing Issuance and Sale of GO PIR Fund Bonds 2015, Series 49

Requested Action: Approve Ordinance Authorizing the Issuance and Sale of GO PIR Fund Bonds for 2015, Series 49.

Chief Financial Officer Lori Economy-Scholler presented this item. John Utley, City's bond attorney from Kennedy & Graven, Chartered and Terri Heaton, City's Municipal Advisor with Springsted, Inc. were available for Council questions. Economy-Scholler presented slides describing the City's financial stability and bonding components – the Pavement Management Program (PMP) and the South Loop Wayfinding Signage. She a portion of the \$900,000 in bonds will be paid by the South Loop Development Fund and the City received a CMAC grant for \$732,000 for this project. She said it's 100% special accessed to the Mall of America. These bonds are not subject to the City's debt limit, as 25% of the work will be special assessed. She said staff recommends adoption and reported the bond sale will occur on October 5, 2015, at which the Council will receive the bond sale results and will approve the sale at that meeting.

No public testimony was received.

Motion was made by Abrams, seconded by Baloga, and all voting aye, to adopt an ordinance authorizing the issuance of \$5,810,000 of General Obligation Permanent Improvement Revolving Fund Bonds of 2015, Series 49. (O-2015-24)

Motion was made by Abrams, seconded by Baloga, and all voting aye, to authorize the issuance and sale of General Obligation Permanent Improvement Revolving Fund Bonds of 2015, Series 49, in the aggregate principal amount of \$5,810,000. (R-2015-87)

8.3 Ordinance Amending Chapter 7 of the Bloomington City Charter

Requested Action: Adopt an ordinance amending Chapter 7.17 of the City Charter relating to the issuance of General Obligation bonds.

Economy-Scholler also presented this item. Again, Utley and Heaton were available for Council questions. She stated this change in the Charter would provide another bonding tool for the City. It was brought to her attention when she had a conversation with the City of St. Louis Park a year ago during which they informed her they were going to issue debt for their trails without abatement. They were following a specific charter provision, which City staff pursued with Bloomington's new city manager in February. She explained the steps and timeline to bring this concept to Council, the Charter Commission, and now to the public hearing.

Her presentation highlighted the following: City's financial stability, current financing methods and techniques available to the City, and the types of debt the City generally issues (those that are subject to the debt limit and those that are not). She stated General Obligation Capital Improvement Bonds require five of seven Council votes at a public hearing and are subject to a 30-day reverse referendum. The proposed Charter amendment is built similar to that debt structure. General Obligation Capital Improvement Bonds can be utilized without a referendum for Public Works facilities, Public Safety facilities, libraries and city halls. It is not allowed for community centers, other recreational improvements or trails. It must be part of the City's five-year Capital Improvement Plan (CIP) that is annually approved by the Council. She reported the City has outstanding debt in this area that matures in 2020. She reviewed the types of bonds that are not subject to the City's debt limit. She explained the City could currently issue debt for a community center using lease revenue bonds. She stated the City's debt limit per Statute 475.51 is 3% of Bloomington's market value of which the City is currently utilizing 2.21% or just under \$8 million.

Economy-Scholler provided the full language of the Charter change, which requires five of seven Council votes (at least five) to pass a 30-day reverse referendum, and includes that any future bonding that is subject to the City's debt limit be at or less than 1%, which is more restrictive than the State guidelines. She said it will save the City interest while providing more transparency. She said this type of bonding could be used for trails in the overlay program, park facilities and equipment, and other City facilities. She showed photos of some trails in need of major improvement. She explained Bloomington is in the redevelopment phase so the amount of park dedication fees received by the City annually has been greatly reduced and there isn't enough money available to maintain parks and trails. She said approximately \$14 million in park needs have been identified in the CIP. Currently, tax abatement bonds could be used for those types of projects. She said CIP bonds, lease revenue bonds, and tax abatement bonds could be issued for City facilities. She reviewed Bloomington's referendum history and provided an example of the type of savings that would be possible. A \$30 million community center paid over 20 years, for example, could result in an interest savings of approximately \$1.8 million using this type of bonding. She explained the difficulties in using tax abatement. She also compared the Charter elements of other cities utilizing this bonding capability.

Winstead commented it's a unique list, as there are very few Charter cities in Minnesota. Most of them are statutorily constructed.

Economy-Scholler explained the reverse referendum requirement and related timeframe. She said the public would have almost 77 days to gather 2,000 signatures to request the bond sale be put on the ballot. She said staff recommends adoption of this Charter amendment, which requires seven Council votes to pass. If it passes tonight, this amendment would go into effect on December 2, 2015.

Winstead talked about the "kitchen sink" chart as being every project the City has strategically thought about from trails to a community center to park improvements. They're all long-term capital improvements and it still doesn't come close to the debt limits self-imposed by the City.

Verbrugge said there is an even greater delimiter in play with this tool, as there is a debt obligation associated with any debt that is going to be issued and the Council is very mindful of what tax levy amount the public will accept to pay for these types of projects.

Busse said he hopes the City would be committed to as much information sharing with the public as possible on something like this.

Economy-Scholler added any debt the City would want to issue must be listed in the City's Capital Improvement Plan (CIP) document, which is available as a draft for public review as early as January.

Baloga emphasized the potential cost savings to Bloomington's taxpayers with this tool.

Mayor Winstead invited the public to speak.

Speaker #1: Lou Coffee, 8296 Kingslee Road
He's been a resident of Bloomington since 1985, is active in his townhome association, the GOP, and has been in the investment business for 40 years. He's bought and sold municipal bonds for years but said he's skeptical of this Charter amendment because it appears staff's recommendation is based on the notion that the City has been refused referenda in the past. He's looked at hundreds of municipal statements and said Bloomington's credit is as solid as it can be and is rising. He asked what the problem is, as the current system is working well. He believes the benefits of the proposed bonding tool are minor in comparison to the possible difficulties it might engender. He said it appears as though the Council is saying don't pay attention to this so it can sneak something past the public, which will only encourage the public to mistrust the Council more. He suggested the Council lead and build support in a positive way for this Charter amendment rather than going strictly by staff's recommendation.

Speaker #2: Susan Hoffmeister Woodruff
She grew up on the ground Civic Plaza sits on. She's observed a transformation from simple roots to opulent waste in Bloomington. She said Bloomington didn't need this palatial city hall with a theater. She said the citizens had a choice when Bloomington wanted to build a pool. She said there's a rumor that Bloomington wants to spend \$50 million on a community center when there is already a pool, tennis courts, and facilities with running tracks, etc. that are empty much of the time. She said, "the citizens own Bloomington so the Council needs their permission to do this."

Speaker #3: Bryan Olson, Former Ramsey Charter Commissioner
He expressed concern with the word "resolution" that is in the Charter amendment. He said ordinances are legislative and reverse referendums are tied to ordinances. He said resolutions are considered administrative. He referenced a situation involving the City of Lino Lakes, a Charter city. He said using the word "resolution" rather than ordinance in the Charter amendment might cause the citizenry to mount a legal challenge to enforce the language of the new amendment 7.17. He commented Mounds View has term limits in their Charter, which they might not be able to enforce. He read from the May and June Charter Commission meeting minutes and said the process was highly questionable. He said the Charter amendment should have been sent back to the Charter Commission for more vetting. He said Bloomington citizens would be more comfortable if it set a timeline between the passage by the City Council, submission of petition language to the city attorney, the amount of time allotted for the city attorney's review, and when the 30-day clock would start. He said the language for a referendum must be approved by the city attorney. He advised the Charter Commission, City Council, and the public to conduct a thorough overview of the Charter and City Code. He asked if Bloomington was given special legislation in St. Paul to do this. He said anytime the Charter is amended, "it must be looked at with a broad view for other things that may affect what the City is trying to do."

Winstead asked staff to address Olson's comment regarding a resolution vs. an ordinance.

City Attorney Sandra Johnson said the Charter Commission and the Council wanted to give the voting populous in Bloomington greater rights than currently provided under State law. She said by putting this in the Charter in the form it is right now, it gives the citizenry the right to pull the ordinance back if they believe the Council's discretion has been used unwisely.

Winstead asked for clarification on the word resolution and asked if that meant the ordinance wouldn't be subject to a referendum. Johnson explained Council issues bonds by resolution; not by ordinance. A bond issuance isn't authorized by ordinance. An ordinance is much more permanent. Resolutions are not exclusively administratively.

Winstead asked if a resolution, as determined in the amendment, is subject to a referendum. Johnson said the way it's crafted, it is. Utley nodded in concurrence that it's subject to a referendum.

Speaker #4: Xavier Bicott, 5000 West 109th Street

He asked if the proposed Charter amendment allows the Council to increase the dollar amount it can borrow without going to the public to be increased. He said there are different rules for certain types of bonding that can be used for City services. He asked if a community center was included in the long-range planning for this proposal.

Winstead explained there's been a community center in the CIP for a long time. He said this proposal is a larger, broader proposal regarding the ability for the Council to issue General Obligation bonds. A community center would be eligible for but it wasn't specifically dialed into the discussion. He said everything that's been discussed can be bonded for using different types of bonds. This amendment just makes another tool available to the Council that has proven to result in cheaper financing costs.

Speaker #5: Bill Reichert, 4732 Nine Mile Creek Parkway

He relayed a story about a housewife and some dirty laundry and a dirty window. He's followed the desire of the Council to amend the Charter to allow different bonding tools. He is not opposed to good tools. He said the proceedings of the June 30th Charter Commission meeting, however, is the dirty laundry. He said the July 13th Council's acceptance of the Charter Commission's recommendation language consisted of a violation of the open meeting law. He displayed information regarding the open meeting law on the screen and read from the June 30th Charter Commission meeting minutes.

Johnson explained the official action of the Charter Commission occurred at an open Charter Commission meeting. It was a voice vote. She said there is no legal requirement that the Charter Commission do this by written resolution at their meeting. The e-mail was done in a manner specific to avoid a serialized meeting. She said the Charter Commission Chair is present in the audience and could correct her if she is wrong. She said there was no violation of the open meeting law. She said there is no opinion by a court or by the Information Policy Analysis Division of the State Department of Administration that would characterize this action as a violation.

Reichert stated his second issue has to do with the motions taken at the meeting. He said the Commission didn't follow parliamentary procedure and as a result, there is no recommendation from the Charter Commission. He also commented on the aggressive timeline with regard to a reverse referendum. He said gathering 2,000 signatures in 30 days without the aid of electronic signatures is a statistical improbability. He said other flaws in the process include the City needing two postings to get the correct legal posting in the newspaper. He also mentioned a conflict between Section 5.10 of the referendum and the reverse referendum. He asked for clarification on what the "other" column on the Charter Commission tally means. He said the actual resolution in tonight's agenda packet doesn't match the one posted on the City's website.

Winstead said everything that's been presented to the Council includes the complete language of the amendment.

Reichert said this should go back to the Charter Commission and go through the process with full transparency engaging the citizens in the process.

Verbrugge said John Utley has reviewed all of the materials in the Council's packet and finds the form in which it's been presented to be sufficient and compliant with the law.

Reichert said Section 5.10 still applies and he'll be exercising it.

Speaker #6: Tom Hulting, 6717 Auto Club Road

He said it's between "unthinkable" and "unconscionable" that the City Council would take Bloomington's spending limit to \$100 million in lieu of its current limit before going to the citizens for a referendum. He said the 1% could result in the \$100 million range.

Verbrugge explained the current State statute allows a 3% of total market value cap on this type of debt. The Council has a number of different alternatives to issue debt that would be within that limit. The 1% is actually a lower amount than what State statute already provides. He said the 1% is \$100 million or so based on current values. The 3% that exists currently is three times that amount.

Hulting said it's the Council's job to get the support of the citizenry of the electorate.

Winstead explained the Council currently has the ability to take the debt to \$300 million if it chose to do so in different ways. It hasn't and it won't.

Hulting said expenditures of \$50 million for a community center, for example, ought to be in front of the citizens. He said churches would welcome senior groups of all kinds. He also asked Carlson to abstain or recuse himself from voting on this item, as he's married to the City's Assistant Finance Director, which he said should be considered a conflict of interest. He said his motive is to get the citizens involved and not to have an "us vs. them" situation.

Johnson said under the law, there is absolutely no conflict of interest. The Council member's marital relationship with an employee is not increased or decreased by a vote on this measure. There is no pecuniary advantage that Carlson would have by voting yea or nay on this measure.

Speaker #7: Russ Burnison, 4716 Nine Mile Creek Parkway

He said the City's indebtedness is the second line item under Police and Fire, which today is \$120 million worth of debt. He said if the City increases its debt limit by another \$60 million, the budget would have to increase by 50%.

Verbrugge said in terms of the type of debt that would count against the State cap for the purpose of this provision, the City is at a very low amount; approximately \$8 million. The other debt the City has is typically related to improvement bonds that have some sort of special assessment involved, which provides a guaranteed revenue factor. The type of bonds the City is talking about is extremely low for a city of this size.

Winstead said the General Fund Debt Service is what Burnison is talking about so the revenue sources involved need to be taken into account.

Burnison said taxpayers will pay more in taxes if the City adds \$50 million or \$60 million more dollars in debt by the issuance of these types of bonds.

Winstead asked Economy-Scholler to clarify the General Fund debt service.

Economy-Scholler said in 2016, staff is looking for \$4 million in tax support for the existing debt, which includes everything for the General Obligation bonds that are part of the debt limit and for improvements bonds that are not part of it. Currently, the City has approximately \$70 million in outstanding debt that includes what's been issued for the HRA and the City for both improvement bonds and the General Obligation type of bonds.

Winstead said if this bonding ability were to pass and the Council issued a bond to improve trails that added \$10 million worth of debt, there would be an increase to that debt service in the General Fund.

Economy-Scholler clarified bonds are not located in the General Fund but they are serviced as part of the tax levy.

Speaker #8: Randy Sutter, 5310 Paola Circle

He questioned whether the amount of interest savings the City would realize on these types of bonds if the amendment passes is unique to this bond type. He believes there other bonds for which the Council has the authority to levy that carry similar levels of interest.

Winstead replied this type of bond would have more favorable rates than the other types of bonds to which the City could avail itself.

Terri Heaton, Springsted, Inc. explained the City has several financing tools available. The least expensive tool is a General Obligation bond, which has the full faith and credit of the City so the interest rate is the lowest. That's what being considered tonight. There are other tools such as lease revenue bonds and other options the City has the authority to do without a referendum but if the City utilizes a General Obligation bond by going through this process, it can achieve the lowest interest rate. The City could get a General Obligation bond as an abatement bond but it involves a longer process. The proposed tool is more administratively friendly.

Sutter asked how different is the amount of interest on a tax abatement bond vs. a General Obligation bond.

Heaton replied they're both General Obligation bonds so they would be very similar. Neither would require a referendum but one would require creating an abatement district, identifying properties, and going through that process. The proposed bonding tool is a bit more streamlined because it doesn't tie up properties or require they be identified as being part of an abatement district.

Sutter said there are other bonding avenues available to the City that would result in similar interest rates to the one being proposed. He said if the principal reason for going forward with this is for trails and facilities, why not use the tools that are already available to the Council.

Motion was made by Busse, seconded by Baloga, and all voting aye, to close the public hearing on the Charter amendment.

Winstead said he read through all of the minutes and it was thoroughly discussed by the Charter Commission. He understands what the tool means and understands people might be worried about this. It has limits plus there is the political scrutiny along with other checks and balances.

Baloga said the public testimony alluded to the fact that this amendment was driven by the desire for a community center, which he said is not the case. It would provide another bonding tool for the City Council, which would save the City money in the amount of interest paid on the bonds. He said it doesn't mean that it will be used, but if the process is followed, it could be used for a City project. With regard to the Charter Commission, he said there are a couple of misunderstandings out there. Two members were absent from the Charter meeting and were listed as "other" on the tally sheet. He reported 12 of the 13 commissioners present supported the amendment, which provides restrictions that would otherwise not be there using other types of bonding. He said the Charter Commission was very thoughtful in its deliberations. They put a 1% limit of property market value, which equals \$100,000 million, as opposed to the State's limit of \$300,000 million. It's one-third the amount of debt the State would allow the City to issue. He explained the Charter Commission is an advisory committee to the City Council. It doesn't take public testimony but its meetings are held in the public realm so the public can attend to hear the discussion. He said this is another tool in the bonding tool box. He accepts and supports it and suggested his fellow Council members do the same.

Oleson asked if petitioners would have until the end of October to submit a reverse referendum petition. Economy-Scholler replied if the Council unanimously votes yes on the amendment tonight, the full text of the amendment will be sent to the Sun Current for publication on September 3. The signatures would need to be submitted within the next 60 days or by November 2 plus another 30 days before the amendment is enacted. Oleson said a concern has been expressed about having enough time to collect signatures. He suggested enough signatures could be obtained if those who testified tonight helped with the effort. He said a lot of good things could happen for the City with this bonding authority but there's also an opportunity for people to object if they want to.

Lowman referenced the conflict Mr. Olson spoke of regarding 3.29 within the ordinance and 5.10 of the Charter in terms of the signatures on a petition. He asked for clarification that the Charter Commission saw no conflict with those two items. Johnson said those are two items are very different. She said this is regarding a very specific reverse referendum that is specific to the Council's choice to exercise this new tool if the Charter change is implemented. Lowman said this is a complicated process and thanked the Charter Commission for their work. He said this is the best way for the City to save money on bonding and it will require five of seven Council votes to pass a bond sale. Plus there's a 1% cap on it. The reverse referendum provides a way to pull something back the Council shouldn't be doing. He said this is a great step in the right direction and it's why he ran for Council; to be able to provide the City with tools that will save the taxpayers money.

Oleson acknowledged it might take talking to 4,000 - 6,000 people to get 2,000 signatures. He stated it's important the language in a petition is based on fact and not rumor or conjecture.

Busse said Bloomington has been issuing municipal debt for decades in a very fiscally prudent and responsible manner; not for opulent reasons. The City has rebuilt roads, built a center for the arts, improved parks and recreation, etc. He said it's incorrect to treat debt as evil when it's done responsively and for good reasons. It allows the City to do the things it needs to do in providing facilities and infrastructure that is needed in the city. It's a reasonable, logical and prudent tool to have available in the tool box.

Carlson said this amendment doesn't give the Council a new authority or the ability to incur greater debt. It allows the City to utilize its triple AAA ratings to access the lowest debt rate possible, which is good for all of Bloomington. It's needed. He said park dedication fees only provide the City with approximately \$200,000 annually with park needs of over \$14 million. New tools are needed to address maintenance of the City's existing infrastructure as well as provide new community assets. The criteria for this bonding method is rigorous, which will be strictly enforced -- the voting requirement of a super majority, the 1% cap, and the 30-day reverse referendum. He said the General Obligation bonds and the ease and less costliness to administer them are positive attributes for supporting this Charter amendment. The Council has received confirmation from staff that it's on solid ground with regard to the procedural process for this amendment so he fully supports it.

Motion was made by Baloga, seconded by Abrams, and all voting aye, to adopt an ordinance amending Chapter 7 of the City Charter relating to the issuance of General Obligation Bonds. (O-2015-25)

Winstead said the ordinance will be published in the Sun Current Newspaper at which point the 60-day clock begins.

9 OTHER: PUBLIC HEARINGS

10 ORGANIZATIONAL BUSINESS

10.1 City Council Policy & Issue Update

Verbrugge said at the request of the Council, Public Works Director Karl Keel will provide Council with an update on the Old Cedar Avenue Bridge (OCAB) project.

Keel said the City awarded a contract for the bridge in April. He explained the project includes the construction of a new bridge; a temporary bridge alongside the OCAB so repairs can be made to the existing bridge. He reported because a fiber optic line had to be relocated, the project was extended by eight weeks. Crews are now working quickly to construct the temporary bridge, which must be hefty to support the heavy equipment that will be needed for the repairs. The rehabilitated bridge was supposed to open by the fall of 2016 but it could now be delayed until the spring of 2017.

To answer Busse's question regarding documentation, Keel said staff is documenting everything. He said concurrent with this project, the U.S. Fish & Wildlife Service is doing a restoration project to remove Buckthorn around the bridge. In addition, he said a fair amount of archaeology work is being done. The next phase of the bridge work will be the design and construction of some of the amenities, which will occur on a hill area immediately to the east of the parking lot. He reported some ancient tool making artifacts were discovered in the area but they were in such a state of disturbance the City wasn't required to preserve them. The City has received the go ahead to commence work on the restroom facility. He said work is expected to continue throughout the winter as weather allows.

Lowman commented the bridge will be a great amenity but asked what would happen to the residents from a tax standpoint if the City pulled the plug on this project. Keel said the total project cost is almost \$23 million, which includes the bridge work and the amenities work. The funding comes from several sources; State funds, a federal grant, and a large portion from the City's Fiscal Disparities Tax Increment Financing (TIF) out of the South Loop area. With the exception of the Strategic Priorities monies, the dollars funding this are not general tax dollars. It would have very little impact on the tax levy if this project was pulled out.

Winstead said the only money coming from Bloomington is the \$1 million from Strategic Priorities.

Verbrugge announced nominations for the Omar Bonderud Award are open now through Friday and applications are located on the front page of the City's website.

He commented on the unveiling of "Convergence;" the artwork that was commissioned by James Brenner at 28th & Lindau Lane. He announced a celebration of the new mural at the 86th Street & Old Shakopee Road trailhead will occur on Thursday, August 27 at 4:30 pm and artist Erik Pearson will be in attendance.

Baloga said he received a copy of the Dan Patch River Crossing Sculpting Study regarding a possible crossing of the Minnesota River connecting to Normandale Boulevard. He said this has been discussed by the Council in the past and suggested the Council adopt a resolution opposing such a bridge over the Minnesota River at Normandale Boulevard.

A motion was made by Baloga, seconded by Abrams, and all voting aye to direct staff to bring such a resolution to the September 14, 2015, Regular Council meeting so the City is on record opposing it.

Verbrugge said beyond the City of Savage, there is a not a lot of support for the bridge. He said the City has intentionally not engaged in this process because the City's prior opposition is still in effect.

Winstead and Carlson indicated their support for such a resolution.

Baloga also mentioned he is receiving calls from the applicants for the Hyland Task Force. Verbrugge said the appointments to that task force were originally scheduled for tonight's meeting but per Council's discussion at the study meeting, they've been deferred to the September 14th meeting to give Council ample time to review them.

10.2 Parks, Arts & Recreation Youth Commission Appointment

Requested Action: Consider an appointment to a one-year youth term on the Parks, Arts and Recreation Commission expiring August 31, 2016.

Motion was made by Oleson, seconded by Abrams, and all voting aye, to appoint Matias Figari to a one-year term as a youth commissioner on the Parks, Arts and Recreation Commission expiring August 31, 2016.

Oleson commented on Figari's impressive application.

**10.3 Human Rights Youth
Commission
Appointment**

Requested Action: Consider reappointment of two youth commissioners on the Human Rights Commission to one-year terms expiring August 31, 2016.

Motion was made by Abrams, seconded by Oleson, and all voting aye, to reappoint Whitney Batterson and Daniela Kunkel to one-year terms as youth commissioners on the Human Rights Commission expiring August 31, 2016.

**10.4 Appointment to Port
Authority**

Requested Action: Consent to the Mayor's appointment of Steve Peterson to the Bloomington Port Authority.

Motion was made by Busse, seconded by Abrams, and all voting aye, to consent to the Mayor's appointment of Steve Peterson to the Bloomington Port Authority to fill the unexpired term of Colleen Carey. His term will expire on January 12, 2016.

11 ADJOURN

Mayor Winstead adjourned the meeting at 9:54 pm

Barbara Clawson
Council Secretary